

FILED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA **SEP 28 2001**
RALEIGH DIVISION

PEGGY B. DEANS, CLERK
U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF N.C.

IN RE:)
)
INTERNATIONAL HERITAGE, INC.) CASE NO. 98-02675-5-ATS
) CHAPTER 7
)
)
Debtor.)

THIRD INTERIM APPLICATION FOR PAYMENT
OF ACCOUNTANT'S FEES AND EXPENSES

NOW COMES Holmes P. Harden, Trustee in the above-referenced case, and applies to the Court for authority to pay Adams Consulting Group interim accountant's fees and expenses in the amount of Eight Thousand Two Hundred Sixty-Five and 14/100 (\$8,265.14) representing compensation in the amount of \$7,874.50 and reimbursement of necessary expenses in the amount of \$390.64 for services rendered from August 28, 2000 through September 13, 2001. A copy of the accountant's bill is attached to this Application along with biographical information for each accountant rendering the services. In the opinion of the Trustee, such interim accountant's fees and expense reimbursement are reasonable and just.

Respectfully submitted, this 25th day of September 2001.


Holmes P. Harden
Trustee for Debtor
N. C. State Bar No. 9835
3200 Beechleaf Court
Post Office Drawer 19764
Raleigh, North Carolina 27619
Telephone: (919) 981-4000

CERTIFICATE OF SERVICE

I, Holmes P. Harden, Trustee for International Heritage, Inc., do hereby certify that the Third Interim Application for Payment of Accountant's Fees and Expenses, hereto attached, was served upon the parties listed below by mailing a copy thereof to each such party at the address indicated below with its proper postage attached and deposited in an official depository under the exclusive care and custody of the United States Post Office in Raleigh, North Carolina, on the 25 day of September 2001.

By: Holmes Harden
Holmes P. Harden
Trustee for Debtor
N. C. State Bar No. 9835
3200 Beechleaf Court
Post Office Drawer 19764
Raleigh, North Carolina 27619
Telephone: (919) 981-4000

SERVED:

Marjorie K. Lynch
Bankruptcy Administrator
Post Office Box 3039-Century Station
Raleigh, North Carolina 27602-3039

Craig Adams
Adams Consulting Group, P.A.
3622 Haworth Drive
Raleigh, NC 27609

Terri Gardner
Attorney for Debtor
Smith Debnam Narron & Myers, LLP
P. O. Drawer 1389
Raleigh, NC 27602

International Heritage, Inc
c/o Mr. Holmes Harden, Trustee
P O Drawer 19764
Raleigh, NC 27619

Invoice Date: September 20, 2001
Invoice Number: 00102066
Client Number: 9002 007

For professional services rendered:

Professional services rendered during the period August 26, 2000 through September 19, 2001:

-Preparation of the December 31, 1999 Corporate Federal and North Carolina Income Tax Returns

-Preparation of the December 31, 2000 Corporate Federal and North Carolina Income Tax Returns

-Continuation and completion of preference analysis for benefit of estate

-Analyze insolvency for various periods

See summary and detail of billing attached.

The Chapter 7 was filed on November 28, 1998.

Order to employ Craig A. Adams as Certified Public Accountant was authorized on January 8, 1999.

See detail of prior billings attached.

Total Invoice Amount	\$ 8,265.14
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PRIOR BILLINGS		Client Name: 9002 007 - International Heritage, Inc		Services		Expenses		Invoice		Amount		Amount		
Invoice Number	Invoice Date	Interim Invoices Dates Services Rendered		Total	Total	Total	Total	Total	Total	Approved	Approved	Paid	Outstanding	Write-off
36657	09/21/1999	December 1, 1998 through September 20, 1999		\$ 26,898.50	\$ 540.09	\$ 27,438.59	\$ 27,438.59			10/25/1999	\$ 27,438.59	\$ -	\$ -	
00100994	08/30/2000	September 21, 1999 through August 25, 2000		\$ 9,353.50	\$ 750.58	\$ 10,104.08	\$ 10,104.08			10/23/2000	\$ 10,104.08	\$ -	\$ -	

SUMMARY OF TIME AND EXPENSE DETAIL

Employee Name	Hours	Rate	Amount
Craig Adams	13.90	\$ 125.00	\$ 1,737.50
	8.80	\$ 130.00	\$ 1,144.00
CA Subtotal	<u>22.70</u>		<u>\$ 2,881.50</u>
Donna McNeal	30.80	\$ 65.00	\$ 2,002.00
	1.50	\$ 70.00	\$ 105.00
DM Subtotal	<u>32.30</u>		<u>\$ 2,107.00</u>
April Gillespie	1.90	\$ 100.00	\$ 190.00
AG Subtotal	<u>1.90</u>		<u>\$ 190.00</u>
Jessie Chang	13.40	\$ 100.00	\$ 1,340.00
KC Subtotal	<u>13.40</u>		<u>\$ 1,340.00</u>
Sharon Wilson	2.70	\$ 45.00	\$ 121.50
	0.30	\$ 50.00	\$ 15.00
SW Subtotal	<u>3.00</u>		<u>\$ 136.50</u>
Patricia Coggins	1.20	\$ 40.00	\$ 48.00
PC Subtotal	<u>1.20</u>		<u>\$ 48.00</u>
Ed Martin	1.10	\$ 115.00	\$ 126.50
EM Subtotal	<u>1.10</u>		<u>\$ 126.50</u>
Elizabeth Berry	9.50	\$ 110.00	\$ 1,045.00
EB Subtotal	<u>9.50</u>		<u>\$ 1,045.00</u>
Total Hours & Fees	<u>85.10</u>		<u>\$ 7,874.50</u>
Total Expenses			<u>\$ 390.64</u>
Total Fees & Expenses			<u>\$ 8,265.14</u>

Detail Description Activity Performed	Employee	Date	Hours/Units	Rate	Amount
Services					
Continue analysis of trustee transactions in order to prepare 1999 federal and NC corporate tax returns	Jessie Chang	08/28/00	2.00	100.00	200.00
Analyze time transactions and prepare interim invoice	Craig Adams	08/30/00	0.70	125.00	87.50
Prepare working trial balance and record trustee transactions necessary to prepare 1999 federal and NC corporate tax returns	Jessie Chang	09/01/00	3.90	100.00	390.00
Continue preparation of 1999 federal and NC corporation income tax returns	Jessie Chang	09/05/00	1.00	100.00	100.00
Continue preparation of 1999 federal and NC corporation income tax returns	Jessie Chang	09/06/00	1.50	100.00	150.00
Complete preparation of 1999 federal and NC corporation income tax returns	Jessie Chang	09/07/00	5.00	100.00	500.00
Review 1999 federal and nc corporate tax returns	April Gillespie	09/11/00	1.90	100.00	190.00
Preparation of documents for taxing authorities related to 1999 federal and NC tax returns, including 505(b) correspondence	Tricia Coggins	09/11/00	1.20	40.00	48.00
Finalize 1999 federal and NC corporate tax returns for trustee's review and signature	Donna McNeal	09/13/00	0.10	65.00	6.50
Partner review and sign 1999 federal and NC corporate tax returns and 505(b) correspondence	Craig Adams	09/14/00	2.10	125.00	262.50
Transfer necessary documents to zip disk for Phyllis Hill	Sharon Norwood	09/15/00	0.50	45.00	22.50
Continue with preference analysis for benefit of estate-review voluminous spreadsheets for information needed by trustee legal counsel	Craig Adams	09/27/00	1.20	125.00	150.00
Telephone conference with Holmes Harden and Jenny Johnson regarding preference issues	Craig Adams	09/28/00	0.40	125.00	50.00
Conference at my office with Holmes Harden, Jenny Johnson, Stephanie Humrickhouse, Phyllis Hill, Gary Mlot and Joan Fleming to discuss preference analysis	Craig Adams	10/02/00	1.60	125.00	200.00
Review of voluminous excel schedules to attempt to determine why preference scheduled disbursements are producing numerous calls from vendors indicating no payments received when in fact schedules reflect numerous payments	Craig Adams	10/02/00	3.20	125.00	400.00
Review voluminous vendor information at FBI office to determine if the numerous identified preferences checks actually cleared bank	Donna McNeal	10/10/00	6.50	65.00	422.50

Detail Description	Employee	Date	Hours/Units	Rate	Amount
Activity Performed					
Conference at FBI office with Joan Fleming, Gary Mlot, etc. to review records for additional preference information required	Craig Adams	10/12/00	4.70	125.00	587.50
Continue reviewing voluminous vendor information at FBI office to determine if the numerous identified preferences checks actually cleared bank	Donna McNeal	10/12/00	6.50	65.00	422.50
Try to print check registers from Great Plains software to assist with preference analysis	Sharon Norwood	10/12/00	2.20	45.00	99.00
Continue reviewing voluminous vendor information at FBI office to determine if the numerous identified preferences checks actually cleared bank	Donna McNeal	10/13/00	5.50	65.00	357.50
Continue reviewing voluminous vendor information at FBI office to determine if the numerous identified preferences checks actually cleared bank	Donna McNeal	10/25/00	3.70	65.00	240.50
Continue reviewing voluminous vendor information at FBI office to determine if the numerous identified preferences checks actually cleared bank	Donna McNeal	10/27/00	4.50	65.00	292.50
Complete reviewing voluminous vendor information at FBI office to determine if the numerous identified preferences checks actually cleared bank	Donna McNeal	10/31/00	4.00	65.00	260.00
Prepare extensions of time to file for 2000 federal and NC corporate tax returns	Sharon Norwood	03/15/01	0.30	50.00	15.00
Insolvency analysis for trustee counsel for various periods	Craig Adams	05/03/01	3.80	130.00	494.00
Continue insolvency analysis for trustee counsel for various periods	Craig Adams	05/04/01	0.30	130.00	39.00
Prepare documents for Stephanie Humrickhouse's court appearance	Donna McNeal	05/29/01	0.30	70.00	21.00
Review file to determine additional information required to file tax returns	Elizabeth Berry	08/29/01	0.10	110.00	11.00
Summarize 2000 transactions; prepare 12/31/00 trial balance; begin preparing 2000 federal & NC corporate income tax returns	Elizabeth Berry	09/04/01	4.90	110.00	539.00
Research AMT for corporations in chapter 7; telephone with Jim Shepard re: same - have to calculate AMT on corporations	Elizabeth Berry	09/04/01	0.80	110.00	88.00
Assist with preparation of 2000 income tax returns, necessary due to complex AMT calculation and classification of complex financial transactions, includes conferences with Ed Martin, Elizabeth Berry, and Holmes Harden re: SEC and Van Etten Settlements	Craig Adams	09/05/01	1.30	130.00	169.00

Detail Description	Employee	Date	Hours/Units	Rate	Amount
Activity Performed					
Assist with preparation of 2000 income tax returns, necessary due to complex AMT calculation and classification of complex financial transactions, includes conferences with Craig Adams, Elizabeth Berry, and Holmes Harden re: SEC and Van Etten Settlements	Ed Martin	09/05/01	1.10	115.00	126.50
Meeting with Craig Adams & Ed Martin re: complicated AMT tax calculation and classification of complex financial transactions; then telephone with Martin and Harden re: clarification of nature of bond refunds and other receipts and correct classification thereof (income vs. non-income)	Elizabeth Berry	09/05/01	1.00	110.00	110.00
Summarize settlement with SEC & determine tax consequences of receipts; Complete preparation of 2000 federal and NC corporate income tax returns	Elizabeth Berry	09/05/01	2.60	110.00	286.00
Review 2000 federal and NC corporate income tax returns	Craig Adams	09/06/01	2.60	130.00	338.00
Prepare documents for for taxing authorities and trustees related to the 2000 federal and NC coporate tax returns	Donna McNeal	09/10/01	1.20	70.00	84.00
Partner review and sign federal and NC 2000 corporate income tax returns and attached 505(b) correspondence.	Craig Adams	09/12/01	0.80	130.00	104.00
Telephone with Jenny Johnson re: status of tax return and time to send interim bill	Elizabeth Berry	09/12/01	0.10	110.00	11.00
		Total Services	85.10	3,675.00	7,874.50

Expenses

Certified postage expense to IRS for 12/31/99 tax return	Administrative General	09/15/00	3.42
Certified postage expense to IRS District Director for 12/31/99 tax return	Administrative General	09/15/00	3.64
Certified postage expense to NCDR (Angela Fountain) for 12/31/99 tax return	Administrative General	09/15/00	4.08
Computer expense for 12/31/99 tax returns	Administrative General	09/15/00	135.00
Copy charges for 12/31/99 tax returns	Administrative General	09/15/00	31.00
UPS charges	Administrative General	09/22/00	45.50
Computer expense for 12/31/00 tax returns	Administrative General	09/13/01	135.00
Postage expense for tax documents to go to trustee; certified postage for tax documents to go IRS, IRS District Director, and NCDR	Administrative General	09/13/01	16.00
Copy charges for the 12/31/00 tax returns	Administrative General	09/13/01	17.00

Detail Description

Activity Performed

Employee

Date

Hours/Units

Rate

Amount

Total Expenses

0.00

390 64

Total Invoice Amount

85-10

3.675.00

\$ 8,265.14

Beginning Balance

0.00

Current Activity:

Billings

8,265.14

Net Due

\$ 8,265.14

NET DUE UPON RECEIPT

Payment: Check Mastercard Visa Expiration Date / / Amount \$

Card Number

Cardholder's Signature

Accounts with unpaid balances over 30 days old will be charged finance charges of 18%, per annum. If you have any questions about your bill, please contact us. We will be happy to assist you. Thank you for your business.

Professional Team at Adams Consulting Group, PA

Craig A. Adams; Principal; Adams Consulting Group, P.A.; North Carolina State University, 1979, (BA in Accounting); Certified Public Accountant licensed in the State of North Carolina; Member of American Institute of Certified Public Accountants; Past Board Member of North Carolina State Board of Certified Public Accounting Examiners; 18 years experience.

Ed Martin; Adams Consulting Group, PA. East Carolina University, 1986 (B.S. in Accounting); Certified Public Accountant licensed in the State of North Carolina; Member of North Carolina Association of Certified Public Accountants and American Institute of Certified Public Accountants; 12 years experience.

Elizabeth C. Berry; Adams Consulting Group, P.A.; North Carolina State University, 1990, (BA in Accounting); University of North Carolina at Chapel Hill, 1989 (BA in English); Certified Public Accountant licensed in the State of North Carolina; Certified Insolvency and Restructuring Advisor; Member of American Institute of Certified Public Accountants, Association of Insolvency and Restructuring Advisors, North Carolina Association of Certified Public Accountants, and Associate Member of Association of Certified Fraud Examiners; 11 years public accounting experience.

Samuel P. Yenne; Director, Business Development Advisory Services; Adams Consulting Group PA; University of Idaho, 1983 (BS); 1986 (MS); Virginia Polytechnic Institute and State University, 1986 (Ph.D.); Duke University 1995 (MBA); Member of Institute of Management Accountants. 10 years experience.

Roxane L. Gabrielson, Adams Consulting Group, PA; Wilmington College, 1990 (B A Accounting); Wilmington College, 1993 (Master of Business Administration); Certified Public Accountant licensed in the State of North Carolina and the State of Delaware; Member of the North Carolina Association of Certified Public Accountants, Delaware Society of Certified Public Accountants, and the American Institute of Certified Public Accountants; 18 years total experience, 8 years public accounting experience.

April W. Gillespie; Adams Consulting Group, PA. Bob Jones University, 1982, (B.A in Accounting); Certified Public Accountant licensed in the State of North Carolina; Member of North Carolina Association of Certified Public Accountants and American Institute of Certified Public Accountants; 14 years of experience.

Kelly M. Carter; Bankruptcy Manager; Adams Consulting Group, PA; North Carolina State University, 1988, (B A, Accounting); Certified Public Accountant licensed in the State of North Carolina; Member of North Carolina Association of Certified Public Accounts and American Institute of Certified Public Accountants; 10 years experience.

Jessie H. F. Chang; Adams Consulting Group, PA; Texas Tech University, 1984 (B A in Accounting); Texas Tech University (M S in Accounting—Taxation); Certified Public Accountant licensed in State of North Carolina; Member of North Carolina Association of Certified Public

Accountants, Tennessee Society of Certified Public Accountants, and American Institute of Certified Public Accountants; 11 years experience.

Jeannine Molek; Adams Consulting Group, P.A.; Pennsylvania State University, 1992 (B.S. in Accounting); Certified Public Accountant licensed in the State of North Carolina; Member of North Carolina Institute of Certified Public Accountants and American Institute of Certified Public Accountants; 10 years experience.

Cynthia B. Parrish; Adams Consulting Group, PA; University of North Carolina at Chapel Hill, 1991, (B.A., Industrial Relations); Guilford College, 1995 (Certificate of Accounting); Certified Public Accountant licensed in the State of North Carolina; member of North Carolina Institute of Certified Public Accountants and American Institute of Certified Public Accountants; 9 years total experience, 3 years public accounting experience.

Kaylor Gregory; Staff Accountant/Paraprofessional; Adams Consulting Group, PA, 12 years accounting experience including preparation of financial statements and payroll reports; reconciling bank accounts.

Nancy Board; Staff Accountant/Paraprofessional; Adams Consulting Group, PA, University of Buffalo, (BS in Education); University of Maryland (BS in Accounting).

Richele Spruill; Staff Accountant/Paraprofessional; Adams Consulting Group, PA, East Carolina University, 1990, (B.S., Business Administration); 9 years experience.

Cynthia R. Mandel; Accounting Services; Adams Consulting Group, PA; College of Saint Elizabeth, Madison, New Jersey, 1985 (B.S., Business Management/Accounting & Marketing); 7 years experience.

Susan B. Grimshaw; Accounting Services; Adams Consulting Group, PA; University of North Carolina at Wilmington, Wilmington, North Carolina, 1996 (B.S. in Accounting); 2 years experience.

Donna McNeal; Administrator (Paraprofessional); Adams Consulting Group, PA; A.A.S. Degree, Wake Technical College (1982); Continuing Education accounting courses at Wake Technical College; 13 years accounting experience including preparation of financial statements and payroll reports; reconciling bank accounts; analyzing and collecting accounts.

Patricia Coggins; Administrative Assistant; Adams Consulting Group, (B.A., Salem College, MBA, Meredith College) 12 years experience.

Patricia Barnes; Administrative Assistant; Adams Consulting Group, North Carolina State University, (BS, Social Work), 12 year experience.

STATE OF NORTH CAROLINA

COUNTY OF WAKE

VERIFICATION

Elizabeth C. Berry, being first duly sworn, deposes and says:

That Craig A. Adams is the court appointed Certified Public Accountant in the accounting firm of Adams Consulting Group, P.A., the bankruptcy estate's general accountant in this action, and that she has read the foregoing Application for Certified Public Accountant for the Trustee for Interim Allowance of Compensation and Reimbursement of Expenses and prepared the itemization of expenses and detail of services rendered attached to it; that the matters and things alleged therein are true of her own knowledge, except those matters alleged on information and belief and as those she believes the same to be true.

This the 20 day of September 2001.



Elizabeth C. Berry

Elizabeth C. Berry

Sworn to and subscribed before me,
This 20th day of September 2001.

Sharon S. Norwood
Notary Public

My Commission Expires: November 19, 2003